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Via Electronic Submission

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Written Ex Parte Communication
Sprint Nextel Corporation Request for Limited Extension
WT Docket No. 05-286

Dear Ms. Dortch:

In support of its September 29, 2005 request for limited extension of the Federal Communications Commission's December 31, 2005, Enhanced 911 ("E911") benchmark requiring that 95% of Sprint Nextel's active subscriber handsets be Global Positioning Satellite ("GPS") capable, Sprint Nextel Corporation ("Sprint Nextel") submits this written *ex parte* communication with additional information regarding its efforts to meet the Commission's mandate.

Since 2001, Sprint Nextel has distributed more than 65 million GPS-capable handsets for sale. Exceeding the projection contained in its waiver request, Sprint Nextel advises the Commission that it successfully converted 81.3% of its existing customer base to GPS-enabled devices by December 31, 2005. Sprint Nextel's GPS-capable handset penetration rate continues to increase and, as of January 31, 2006, the Company has converted an additional 1.1% of its subscriber base, reaching the compliance rate of 82.4%.

As discussed in Sprint Nextel's previous filings, this penetration level would have been significantly higher if not for a Motorola software failure that in July 2004 disabled the GPS capability of more than 4.7 million of the iDEN handsets used by customers of Sprint Nextel's predecessor Nextel Communications, Inc. ("Nextel"). But for this vendor software failure, 88% of Sprint Nextel customers would have had GPS-capable handsets by the Commission's December 31, 2005 deadline. As of January 31, 2006, the rate would have reached 88.8%.

Sprint Nextel's GPS-capable handset penetration has also been slowed by lower than expected churn rates. In 1999, when the Commission adopted its E911 compliance schedule for carriers relying on handset-based solutions, the churn rate for the wireless industry was

approximately 2.5% per month;¹ the Commission considered the existing churn rate when it determined carriers' handset penetration deadlines.² Since that time, overall industry churn levels have generally decreased. The Commission, however, has yet to address the effect of this reduced churn on carriers' ability to comply with its December 31, 2005 penetration benchmark.

Moreover, as described in Sprint Nextel's request, the churn rate for Nextel's iDEN handsets declined more dramatically during this intervening period, dropping to levels substantially below the industry average. Due to this lower than average churn, a greater than anticipated percentage of iDEN customers retained their non-GPS-capable handsets. Again, accounting for the glitch, had the churn rate for iDEN handsets over this period instead been 2.5%, Sprint Nextel's GPS-capable handset penetration would have reached 92.6% by December 31, 2005.

Despite these obstacles, Sprint Nextel continues to work to comply with the Commission's 95% handset penetration benchmark as soon as possible. Sprint Nextel's pricing, promotional, and marketing efforts include:

- Discounted prices for GPS-capable handsets, including promoting select GPS-capable handsets for free with the activation of a service contract.
- Targeted marketing campaigns to customers who lack GPS-capable handsets, including direct mail, telesales, and billing messages.
- Broad advertising campaigns on television, radio, and print media highlighting the capabilities of GPS-capable handsets.
- Continued efforts to overcome the effects of the Motorola software glitch, including free handset reflashing in Sprint Nextel retail stores.
- Introduction of more than 20 new GPS-capable handset models on its iDEN and CDMA networks, including the targeted launch of a dual-mode handset.

¹ The Bear Stearns *Wireless Telephony* report, published in July 2000, reports that the average churn in 1999 was 2.4% per month. Calculating churn using CTIA's Semi-Annual Report shows churn in the first half of 1999 as 2.33% per month and in the second half of 1999 as 2.67% per month. A Strategis Group publication entitled "U.S. Cellular Marketplace Report" from February 2000 shows monthly churn in mid-year 1999 as 3.4% per month.

² See *Revision of the Commission's Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems*, Third Report and Order, 14 FCC Rcd 17388, ¶ 50 (1999) ("*Third Report and Order*") (finding that Automatic Location Information ("ALI")-capable handset penetration would be aided by handset "turnover"). The Commission mandated in the *Third Report and Order* that carriers make "reasonable efforts" to achieve 100% penetration of ALI-capable handsets by December 31, 2004, or within two years in an area in which a PSAP had requested E911 Phase II deployment. *Id.* ¶ 52. Less than a year later, the Commission in the *Fourth Report and Order* decided to require a handset penetration level of 95% and extended the deadline for that benchmark to December 31, 2005. *Revision of the Commission's Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems*, Fourth Memorandum Opinion and Order, 15 FCC Rcd 17442, ¶ 4 (2000).

- Tax receipts to encourage customers to donate older model handsets.

Sprint Nextel respectfully submits that, taking into consideration the unforeseen and extraordinary circumstances described above and Sprint Nextel's ongoing efforts to overcome those circumstances, there is good cause for granting Sprint Nextel's request for a two-year extension of the December 31, 2005 handset penetration benchmark.³

Sprint Nextel remains committed to E911 deployment efforts to make this valuable public safety service ubiquitously available. Pursuant to section 1.1206(b)(2) of the Commission's rules, 47 C.F.R. § 1.1206(b)(2), this letter is being filed electronically for inclusion in the public record of the above-referenced proceeding.

Respectfully submitted,

/s/ Luisa L. Lancetti

Luisa L. Lancetti

cc: Fred Campbell
John Giusti
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³ See *Revision of the Commission's Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems*, CC Docket No. 94-102: *Farmers Mutual Telephone Company Petition for Limited Waiver*, Order, FCC 06-16 (rel. Feb. 22, 2006); *Request for Waiver of Thumb Cellular LLC*, Order, FCC 06-15 (rel. Feb. 22, 2006); *Request for Waiver by Virginia Cellular LLC, Inc. d/b/a Cellular One*, Order, FCC 06-20 (rel. Feb. 22, 2006); *Request for Waiver by L. L. License Holdings, Inc.*, *Request for Waiver by Cal-One Cellular L.P. d/b/a Cal-North*, *Request for Waiver by Cellular Network Partnership, A Limited Partnership d/b/a Pioneer Cellular*, *Request for Waiver by Midwest Wireless Holdings L.L.C.*, Order, FCC 06-9 (rel. Feb. 10, 2006); *The NTELOS Companies Petition for Limited Waiver*, Order, FCC 06-7 (rel. Jan. 27, 2006); *Request for Waiver by North Carolina RSA 3 Cellular Telephone Company d/b/a Carolina West Wireless*, *Request for Waiver by East Kentucky Network, LLC d/b/a Appalachian Wireless*, Order, FCC 06-2 (rel. Jan. 13, 2006); *Request for Waiver of Enhanced 911 Phase II Requirements by Cellular South Licenses, Inc.*, Order, 20 FCC Rcd 20623 (2005); *Request for Waiver by California RSA No. 3 Limited Partnership d/b/a Golden State Cellular*, Order, 20 FCC Rcd 20569 (2005); *Petition for Enhanced 911 Phase II Waiver by Leaco Rural Telephone Cooperative, Inc.*, Order, 20 FCC Rcd 20600 (2005); *Request for Enhanced 911 Phase II Waiver by Northeast Communications of Wisconsin, Inc. d/b/a Cellcom*, Order, 20 FCC Rcd 19654 (2005); *Request for Waiver By Southern Communications Services, Inc. d/b/a SouthernLINC Wireless*, Order, 20 FCC Rcd 17786 (2005); *Petitions for Waiver of Enhanced 911 Phase II Requirements*, Order, 20 FCC Rcd 16937 (2005); *E911 Phase II Compliance Deadlines for Tier III Carriers*, Order, 20 FCC Rcd 7709 (2005). While a number of these extensions relied upon the ENHANCE 911 Act standard, Sprint Nextel believes that they remain relevant precedent supporting the Sprint Nextel extension request.